

MONTANA LEGISLATIVE HISTORY

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Chapter 47 19 93

Bill H 108 S _____ Original bill & history X c

H. Committee on	<u>Agriculture Livestock & Irrigation</u>	S. Committee on	<u>Business & Industry</u>
Hearing Date(s)	<u>Jan 14</u> <u>✓</u> c	Hearing Date(s)	<u>Jan 28</u> <u>✓</u> c
	_____ c		<u>Feb 02</u> <u>✓</u> c
	_____ c		_____ c
	_____ c		_____ c
Date Out	<u>Jan 14</u> <u>✓</u> c		

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

HOUSE BILL NO. 108

INTRODUCED BY BERGSAGEL

IN THE HOUSE

JANUARY 6, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON AGRICULTURE, LIVESTOCK, & IRRIGATION.

FIRST READING.

JANUARY 15, 1993

COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

JANUARY 16, 1993

PRINTING REPORT.

JANUARY 18, 1993

SECOND READING, DO PASS.

JANUARY 19, 1993

ENGROSSING REPORT.

THIRD READING, PASSED.
AYES, 81; NOES, 18.

TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 20, 1993

INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & INDUSTRY.

FIRST READING.

FEBRUARY 2, 1993

COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

FEBRUARY 3, 1993

SECOND READING, CONCURRED IN.

FEBRUARY 4, 1993

THIRD READING, CONCURRED IN.
AYES, 45; NOES, 2.

FEBRUARY 5, 1993

RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 5, 1993

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

BILL NO. 108
INTRODUCED BY [Signature]

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROVISIONS
5 CONCERNING A RURAL COOPERATIVE BOARD OF TRUSTEES; AND
6 AMENDING SECTION 35-18-311, MCA."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 35-18-311, MCA, is amended to read:

10 *35-18-311. Board of trustees -- number --
11 qualifications -- removal -- compensation -- husband and
12 wife. (1) The business and affairs of a cooperative shall
13 must be managed by a board of not less than five trustees,
14 each of whom shall must be a member of the cooperative or of
15 another cooperative which-shall-be that is a member thereof
16 of the cooperative. The bylaws shall must prescribe the
17 number of trustees, their qualifications, other than those
18 provided for in this chapter, the manner of holding meetings
19 of the board of trustees and of the election of successors
20 to trustees who shall resign, die, or are otherwise be
21 incapable of acting. The bylaws may also provide for the
22 removal of trustees from office and for the election of
23 their successors.

24 (2) Without approval of the membership, trustees:

25 (a) shall may not receive any salaries for their

1 services as trustees, except trustees may receive the same
2 insurance coverage provided to cooperative employees; and,

3 **(b)** except in emergencies, ~~shall~~ may not be employed by
4 the cooperative in any capacity involving compensation.

5 (3) The bylaws may~~7-however,~~ provide that the board of
6 trustees may establish a fixed sum, including expenses of
7 attendance, if any, to be allowed for:

8 (a) attendance at each meeting of the board of trustees
9 or any committee ~~thereof~~ of the board of trustees; or

10 (b) representing the cooperative at any meeting or on
11 any business whenever ~~such~~ representation has been approved
12 by the board.

13 ~~13~~ (4) If a husband and wife hold joint membership in a
14 cooperative, either one but not both may be elected a
15 trustee.

16 (5) The policies of the cooperative may provide that
17 benefits provided to employees may be extended to trustees."

-End-

HB 106 INTRODUCED BY PECK, ET AL.

TRANSFER TEACHER CERTIFICATION STANDARDS AND PRACTICES
ADVISORY COUNCIL TO SUPERINTENDENT OF PUBLIC INSTRUCTION
BY REQUEST OF SUPERINTENDENT OF PUBLIC INSTRUCTION

1/05 INTRODUCED
1/05 REFERRED TO EDUCATION & CULTURAL RESOURCES
1/05 FIRST READING
1/06 FISCAL NOTE REQUESTED
1/13 HEARING
1/14 FISCAL NOTE RECEIVED
1/14 FISCAL NOTE PRINTED
1/22 TABLED IN COMMITTEE

HB 107 INTRODUCED BY COBB, ET AL.

ELIMINATE REQUIREMENT FOR SUNRISE AUDITS
BY REQUEST OF LEGISLATIVE AUDIT COMMITTEE

1/06 INTRODUCED
1/06 REFERRED TO STATE ADMINISTRATION
1/06 FIRST READING
1/15 HEARING
1/22 COMMITTEE REPORT—BILL PASSED AS AMENDED
1/25 2ND READING PASSED 91 6
1/27 3RD READING PASSED 98 1

TRANSMITTED TO SENATE
1/29 FIRST READING
1/29 REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY
3/17 HEARING
3/22 COMMITTEE REPORT—BILL NOT PASSED
3/22 ADVERSE COMMITTEE REPORT ADOPTED 35 11
3/23 RECONSIDERED PREVIOUS ACTION AND PLACED
ON 2ND READING 27 22
3/25 2ND READING CONCURRED 49 0
3/26 3RD READING CONCURRED 39 8

RETURNED TO HOUSE
3/31 SIGNED BY SPEAKER
4/01 SIGNED BY PRESIDENT
4/02 TRANSMITTED TO GOVERNOR
4/07 SIGNED BY GOVERNOR
CHAPTER NUMBER 274
EFFECTIVE DATE: 10/01/93

HB 108 INTRODUCED BY BERGSAGEL

REVISE RURAL COOPERATIVE BOARD OF TRUSTEES PROVISIONS

1/06 INTRODUCED
1/06 REFERRED TO AGRICULTURE, LIVESTOCK & IRRIGATION
1/06 FIRST READING
1/14 HEARING
1/15 COMMITTEE REPORT—BILL PASSED
1/18 2ND READING PASSED 76 23
1/19 3RD READING PASSED 81 18

TRANSMITTED TO SENATE
1/20 FIRST READING
1/20 REFERRED TO BUSINESS & INDUSTRY
1/29 HEARING
2/02 COMMITTEE REPORT—BILL CONCURRED
2/03 2ND READING CONCURRED 45 2
2/04 3RD READING CONCURRED 45 2

RETURNED TO HOUSE
 2/11 SIGNED BY SPEAKER
 2/12 SIGNED BY PRESIDENT
 2/15 TRANSMITTED TO GOVERNOR
 2/17 SIGNED BY GOVERNOR
 CHAPTER NUMBER 41
 EFFECTIVE DATE: 10/01/93

HB 109 INTRODUCED BY BARNETT, ET AL.
 ALLOW COUNTY COMMISSIONERS DISCRETION IN DEVELOPING COUNTY
 ROADS

1/06	INTRODUCED		
1/06	REFERRED TO LOCAL GOVERNMENT		
1/06	FIRST READING		
1/14	HEARING		
1/15	COMMITTEE REPORT—BILL PASSED		
1/18	2ND READING PASSED	95	2
1/19	3RD READING PASSED	96	3
	TRANSMITTED TO SENATE		
1/20	FIRST READING		
1/20	REFERRED TO LOCAL GOVERNMENT		
2/02	HEARING		
2/03	COMMITTEE REPORT—BILL CONCURRED		
2/04	2ND READING CONCURRED	35	11
2/05	3RD READING CONCURRED	46	4
	RETURNED TO HOUSE		
2/11	SIGNED BY SPEAKER		
2/12	SIGNED BY PRESIDENT		
2/15	TRANSMITTED TO GOVERNOR		
2/17	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 42		
	EFFECTIVE DATE: 10/01/93		

HB 110 INTRODUCED BY HIBBARD, ET AL.
 REQUIRE DEPARTMENT OF FISH, WILDLIFE, AND PARKS TO HOLD
 PROCEEDS FROM SALE OF SEIZED WILD ANIMALS
 BY REQUEST OF DEPARTMENT OF FISH, WILDLIFE, AND PARKS

1/06	INTRODUCED		
1/06	REFERRED TO FISH & GAME		
1/06	FIRST READING		
1/12	HEARING		
1/20	COMMITTEE REPORT—BILL PASSED		
1/22	2ND READING PASSED	94	3
1/25	3RD READING PASSED	95	2
	TRANSMITTED TO SENATE		
1/27	FIRST READING		
1/27	REFERRED TO FISH & GAME		
3/04	HEARING		
3/05	COMMITTEE REPORT—BILL CONCURRED		
3/06	2ND READING CONCURRED	42	4
3/08	3RD READING CONCURRED	42	6
	RETURNED TO HOUSE		
3/21	SIGNED BY SPEAKER		
3/22	SIGNED BY PRESIDENT		
3/23	TRANSMITTED TO GOVERNOR		
3/25	SIGNED BY GOVERNOR		

would not allow an amendment to correct the problem. He also said in order to change it, bill the committee needed to table the bill. He asked if the committee would request a committee bill, and he would have one drafted with a different title.

Proponents' Testimony:

John Northey, who raises alpacas, offered EXHIBIT 1 and stated that the purpose of this bill was to include alpacas under the definition of llama. However, the Department of Livestock did not like the placement of the definition in this bill.

Opponents' Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor:

REP. COBB thanked the committee and closed.

EXECUTIVE ACTION ON 114

Motion/Vote: REP. DON LARSON MOVED TO TABLE HB 114. The motion carried unanimously.

HEARING ON HB 108

Opening Statement by Sponsor:

REP. ERNEST BERGSAGEL, HD 17, Malta, stated HB 108 allows a cooperative to provide health insurance benefits for members of its board of directors.

Proponents' Testimony:

Ray Cehulski, Missoula Electric Co-op, said HB 108 would allow cooperative board members to receive health insurance benefits. He stated the members donate a lot of time to these co-ops, and deserve to be compensated with health insurance benefits. He noted HB 108 would provide a service which many other states already provide. He urged the committee to pass HB 108.

Bill Berberet, Vigilante Electric Co-op, presented written testimony. EXHIBIT 2

Jay Downen, Montana Electric and Telephone Co-ops, stated they have approximately 35 member cooperatives serving about 300,000 Montanans. He indicated all of these cooperatives voted unanimously to request the placement of this language in the bill.

Wilbur Anderson, Vigilante Electric Co-op, urged the committee give a do pass recommendation on HB 108.

Opponents' Testimony: None

Questions From Committee Members and Responses:

REP. REHBEIN asked REP. BERGSAGEL if many of the directors serving on the boards were 50 years of age or older. He asked if employees who were 30 years of age or younger would be saddled with added financial responsibility. REP. BERGSAGEL stated that the responsibility lies with the consumers. He said HB 108 does ensure every board member will have health insurance benefits; this law merely legitimizes the co-op's ability to provide health insurance. REP. BERGSAGEL stated it was possible that HB 108 would increase costs.

REP. REHBEIN asked if, as members retire, they would keep their health insurance policy. REP. BERGSAGEL replied that when members retire they are generally elderly and are eligible for Medicare.

REP. BACHINI asked if the health insurance would be an option after they retired. REP. BERGSAGEL answered that was correct.

REP. BACHINI asked if the health insurance for a retired member would be paid by the co-op. REP. BERGSAGEL responded that it would be paid by the retired member.

REP. BACHINI asked if there were some figures on what the additional cost would be for the cooperatives to provide health insurance to the retired board members. REP. BERGSAGEL stated that when a member retired, that member would be responsible for paying their health insurance, however, would be allowed to remain in the pool. REP. BERGSAGEL did not know for sure but assumed this was the procedure for most cooperatives. He stressed there would be no additional cost to the membership.

REP. BACHINI asked what the cost would be to the cooperatives before the member retires. REP. BERGSAGEL replied it would be the cost of that particular insurance policy.

REP. BACHINI asked if anyone had any figures regarding the cost to the cooperatives. REP. BERGSAGEL stated it would be very similar to health insurance benefits state employees receive or health insurance benefits legislators receive. He indicated the cost of insurance provided to the board members would be significantly less than what a typical health insurance company would charge. REP. BERGSAGEL added that the board of directors are hired by the people and would not incur a cost they did not believe could be justified. He said what they are doing would be in fairness to them and the people they represent.

REP. STANFORD asked if many of the cooperative directors were covered by insurance now. REP. BERGSAGEL responded that some cooperatives are providing insurance. He indicated they were paying a higher premium than what could be considered normal for

a state-wide average. He stated that what these cooperatives want is a piece of legislation which would not penalize the co-op for providing health insurance benefits since the law was unclear if health insurance benefits could be provided.

REP. ROSE asked if the cooperative members had voted to provide directors with health insurance benefits. REP. BERGSAGEL said he believed the cooperative members would have a voice in deciding if they want the directors to receive health insurance benefits. He stated this bill enables them to provide health insurance legitimately, it does not require them to provide it.

REP. ANDERSON asked if the additional cost of insurance would be included in the annual report. REP. BERGSAGEL stated the board of directors would have insurance costs to review every month and the costs would be included on the balance sheet.

Closing by Sponsor:

REP. BERGSAGEL stated that when he served on the co-op board, members did all types of work above and beyond the general call of duty. He said that serving as a co-op board member was very similar to serving as a legislator; a person does not get paid for the time and effort actually expended. He urged the committee to pass HB 108. REP. BERGSAGEL noted that one of the difficulties the cooperatives were having was attracting young members. One of the reasons for this was not paying enough.

EXECUTIVE ACTION ON HB 108

Motion/Vote: REP. BACHINI MOVED THAT HB 108 DO PASS. The motion carried unanimously.

EXECUTIVE ACTION ON HB 104

Motion: REP. BACHINI MOVED HB 104 DO PASS for the purpose of discussion.

Discussion: Ms. Erickson explained the amendments, EXHIBIT 3, stating these amendments were what the Department wanted drafted.

REP. MASON indicated he had a problem with the funds without having a cap on them. He said that the fund may increase and can be used only for one thing, i.e., training; whereas schools or other areas could use the money.

REP. ANDERSON stated that the dollar amounts the department was talking about should be a major concern on the part of the committee. He said there were rarely large amounts of money and if there happened to be, legislative action could reappropriate

Directors Compensation Legislation

Bill Summary:

HB 108 would give cooperatives in Montana the option of providing insurance coverage to cooperative trustees. Trustees would be allowed to receive as compensation ordinary and normal insurance coverages such as that provided to cooperative employees.

Bill Rationale

- The average value of an electric cooperative in Montana is \$15 million dollars. Each cooperative trustee is entrusted with the task of responsibly managing his or her cooperative on behalf of its members. The liability involved makes mistakes inaffordable in a business of this magnitude.
- In order to ensure that trustees are educated and trained in the multitude of issues facing cooperatives, an immense amount of time and energy is expended. On average, a trustee donates 40 days or a year to his or her cooperative for meetings, training, consumer relations and research. HB 108 would allow at least a measure of compensation for each trustee's great personal investment.
- HB 108 allows cooperatives and their members to attract and elect from a pool of individuals who will be dedicated to their cooperatives and will act responsibly on behalf of their membership.
- HB 108 would bring Montana in line with other states and the insurance coverage provided to trustees. Cooperatives in 43 of the 50 states provide insurance coverage of some kind to trustees.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Agriculture COMMITTEE BILL NO. 108
DATE 1/14/93 SPONSOR(S) REP. BERGSAGEL

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OP
Ray Cebulski	Missoula Elec Co-op	✓	
Larry Wiens	MT. Elec. & Tele. Co-ops	✓	
JAY DOWNEN	MT Elec. & Tel Co-ops	✓	
Bill Berberet	Vigilante El Co-op	✓	
Mike Anderson	Vigilante Electric Co-op	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HEARING ON HB 108Opening Statement by Sponsor:

Representative Bergasagel opened on HB 108 stating there is a question in the existing law as to whether or not members of the Boards of Directors of Cooperatives may buy health insurance for the members of the Boards. He stated HB 108 says it will be possible.

Proponents' Testimony:

Jay Downen, Montana Electric Cooperative Association, Great Falls, stated a question has arisen about insurance benefits and whether or not the benefits may be provided as compensation for members of boards of the rural cooperatives (co-ops). Mr. Downen stated insurance benefits are currently provided as per diem if the co-op and the members choose to do so. Mr. Downen stated HB 108 would make it so the members of the board could provide the insurance without having to claim it under the per diem section of the fiscal report. He urged the Committee's favorable consideration of HB 108.

Ray Cebulski, Missoula Electric Cooperative, stated HB 108 would allow for compensation for the investment of time the members of the board have put into the co-ops. He asked the Committee's support of HB 108.

Allen Martinell, Ranch owner, Dell, MT, stated his support of HB 108 and supplied written testimony and notes (Exhibit #1).

Opponents' Testimony:

David Kasten sent correspondence and is noted as an opponent to HB 108 (Exhibit #2).

Representative Betty Lou Kasten submitted proposed amendments to HB 108 and is noted as an opponent to HB 108 as it stands (Exhibit #3).

Questions From Committee Members and Responses:

Senator Lynch asked Representative Bergasagel about page 2 and why the House passed HB 108 to be amended to say the members of the co-op cannot vote on whether the members of the Board should have insurance as a form of compensation. Representative Bergasagel stated the board of directors approve all kinds of larger costs. The health insurance is a smaller part of the decisions which are made. Rep. Bergasagel stated HB 108 was amended because the board of directors of a co-op would not vote in any measure which would jeopardize their position on the

board.

Senator Gage asked Rep. Bergsagel about any date other than October 1, 1993 on HB 108 which he might desire. Rep. Bergsagel answered the date was acceptable. Sen. Gage referred to subsection 5, line 1 and 2 and if there were other employee benefits which would be covered by HB 108. Rep. Bergsagel answered there are federal statutes which dictate what a trustee of a cooperative may receive. Jay Downen stated the federal statute and the IRS code prohibit any other kind of benefit.

Closing by Sponsor:

Representative Bergsagel closed stating many co-ops have already provided insurance benefits for their directors and the purpose of HB 108 is to clarify any question as to whether it is legal to provide those benefits. He stated the cooperatives would like to be up front with the people and stop hiding behind the per diem compensation. He urged the Committee's consideration on HB 108.

HEARING ON HB 120

Opening Statement by Sponsor:

Rep. Mason, House District 63, stated HB 120 assures rural electric cooperatives would have the right to continue economic development activities. HB 120 adds 2 lines on page 2 as an enabling act "for the purpose allowable under the federal administration including rural economic development activities."

Proponents' Testimony:

Bill Chapman, General Manager of the Glacier Electric Cooperative, Cutbank Montana, stated his cooperative is concerned with what has happened in their service territory with the declining tax base, the loss of jobs, businesses closing and high unemployment and have tried to do something about the situation. The cooperative got involved in the development of an economic development organization which would help improve the economic base of the co-op. He asked the Committee to support HB 120.

Jay Downen, General Manager, Electric Cooperative Association stated his support of HB 120 for clarification of the statutes as they stand.

Joel May Barker supplied testimony in support of HB 120 (Exhibit #4).

Opponents' Testimony:

None.

HB
108

DIRECTORS COMPENSATION LEGISLATION

Bill Rationale:

- Helps guarantee sound management of cooperatives by attracting and retaining quality directors.
 - With the average electric cooperative valued at \$15 million, the liability involved demands that directors possess the ability and the skills to make competent judgements.
- Allows a measure of compensation for each director's great personal investment.
 - On average, a director donates 40 days a year to his or her cooperative for required meetings, training, consumer relations and research.
 - The commitment of time in service as a cooperative director frequently means lost income from one's own business or job.
- Current law allows for a per diem set by the cooperative's bylaws, which are approved by the membership. However, the per diem, which averages \$61, does not begin to cover directors' cost of time away from businesses, families and other personal responsibilities.
- Permits cooperative directors to receive what amounts to basic compensation when compared to what the average corporate director in America receives:
 - Total average annual compensation to corporate directors estimated at \$21,675, according to Compensation and Benefits Review, a national publication.

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 1

DATE 1/29/93

BILL NO. HB 108

TALKING POINTS FOR ALLEN C. MARTINELL

1. The average value of an electric cooperative is \$15-million dollars. Due to the magnitude of a cooperative's value, the Co-op's Board of Trustees can not afford to make mistakes or subject the cooperative to a high level of liability.
 2. Constant education and training involving the multitude of issues facing electric cooperatives is imperative. If we don't keep ourselves well-informed, we potentially could make a poor decision on behalf of our cooperative and our members. If this were to occur, we open up the cooperative and ourselves to litigation, costly mistakes and member unrest.
- * Our National Association, the National Rural Electric Cooperative Association (NRECA) along with the local cooperatives strongly encourage trustees to become certified, under the Director Certification program administered by NRECA.

Sen. B + J
Exh # 1
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- * NRECA requires us to take eight (8) courses.
- * Courses can last anywhere from a 1/2 day to three days. This doesn't include travel time to and from the meetings. This training is conducted either at the cooperatives, at our Statewide headquarters in Great Falls, or at out-of-state locations.

3. Trustee training and education is also done through seminars, workshops, meetings, individual reading, phone calls, personal conversations, etc. This can be time consuming and costly.

- * Spend an average of 40 days attending meetings for Vigilante Electric Cooperative.
- * Also spend a lot of personal time reading and talking with Vigilante's consumers to make sure I'm informed of the issues facing our cooperative, our consumers and the communities we serve.

Continued Next Page

- * Some of the issues we must be knowledgeable in include:
wildlife mitigation, global warming, rural economic development, tax issues, national mandates such as sexual harassment in the workplace, the Americans with Disabilities Act, etc.
 - * “Often, you have to leave things that you should be doing. Or, I have to leave it to my wife to take care of.”
4. This bill (HB 108) allows cooperatives and their members to attract and elect from a pool of individuals who will be dedicated to their cooperatives and who will act responsibly on behalf of their membership. Again, the value of a cooperative and the responsibilities to the members dictate the need for informed, dedicated and capable board members.

Sen. B & J
Ex # 1
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5. The current law allows for a per diem set by the cooperative's bylaws, which are approved by the membership. However, this per diem, which averages \$61.00, does not begin to cover the cost of time away from our businesses, our families and other personal responsibilities.

At times, trustees must hire additional help to manage our farms and ranches while we're conducting board affairs. Other trustees must close their businesses, miss appointments and suffer client losses while taking care of board work.

6. Current Montana law allows cooperatives to amend their individual by-laws for a higher per-diem rate, which could be used for insurance benefit premiums. However, we would rather be up front with you, our legislators, and with our members, in asking that the law be amended to allow for insurance compensation.

7. Current Montana law is part of the REA "boilerplate" established in the 1930's and 40's. However, the issues and responsibilities facing America's electric cooperatives have greatly increased and it behooves cooperatives and their members to have a Board of Trustees who are, at least partially, compensated for their work and training.

Exhibit #1
1-29-93
HB-108

Honorable Senator J.D. Lynch, Ch.
Business and Industry Committee

Dear Chairman and Committee Members:

I am a member of several Coops. I also have been a member of several Coop Boards of Directors ranging from local, to regional, and also was on three National Boards.

I am writing this letter to oppose H.B. 108 as it passed the House. Legislation such as HB 108 takes away any membership input into policy setting of a cooperative. This is absolutely wrong!

"Fixed sum" in my ARCA ranges from \$150 to \$200.00 per day when Directors travel or are attending meetings on behalf of their cooperative.

Since H.B. 108 passed the house I have talked with dozens of members and many Directors who say HB 108 is a bad bill in its present form.

Please Committee members on behalf of what cooperatives are, amend HB 108 so members continue to have a small voice in their cooperative.

Thank you very much for considering these few words. If it weren't for the 400 mile I would be attending your hearing.

Sincerely, & Cooperatively, Yours

David H. Katter

Box 114 Bladenboro, NC 27804

HOUSE COMMITTEE OF THE WHOLE AMENDMENT
House Bill 108
Representative Kasten

January 18, 1993 1:11 pm
Page 1 of 1

Mr. Chairman: I move to amend House Bill 108 (second reading copy -- yellow).

Signed: Betty Lou Kasten
Representative Kasten

And, that such amendments to House Bill 108 read as follows:

1. Page 2, lines 1 and 2.

Following: "trustees"

Strike: ", except" through "employees" on line 2

2. Page 2, line 17.

Following: "trustees"

Insert: "with the approval of the membership"

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 3

DATE 1/29/93

BILL NO. HB 108

ADOPT

EXECUTIVE ACTION ON HB 108

Discussion:

Senator Lynch stated there was some opposition because some people wanted approval of the members of the cooperatives. He stated there was a proposed amendment of "with approval of the membership".

Mr. Campbell stated the amendment was an amendment to the second reading and the amendment doesn't fit into HB 108.

Senator Bruski-Maus stated she had talked to various people and stated she felt the people should know what their board members are doing. She stated she agrees with the "with approval" amendment.

Senator Mesaros stated the directors should know, but the stockholders vote for the directors. He stated the directors should have the ability to function in the capacity to make the decisions for the stockholders.

Senator Klampe questioned if the installation of "with" would apply to section B as well as section A, so the total membership would have to vote on section B, also. Senator Lynch answered that was correct.

Mr. Campbell stated the directors couldn't execute section A or B without approval of the members. Senator Lynch stated the new language was "except trustees may receive the same insurance coverage provided to cooperative employees".

Senator Christiaens asked for clarification on whether the directors served without pay. Senator Bruski-Maus stated the directors got paid per day and get reimbursed mileage.

Senator Christiaens stated if the members of the cooperative don't like what the board of directors has done, the next election of officials would take care of any problems.

Senator Lynch stated the board of directors are just trying to make sure what they are doing is legal.

Senator Christiaens asked Jay Downen to address the insurance issues and the per diem issue. Mr. Downen stated about 50% of the cooperatives in the state are paying per diem and applying it toward insurance coverage. He stated per diem is permissible, but the cooperatives should not list the per diem as such if it is being put toward insurance coverage.

Motion/Vote:

Senator Klampe HB 108 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY. Senator Gage is to carry HB 108.

EXECUTIVE ACTION ON HB 120

Motion/Vote:

Senator Mesaros moved HB 120 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

Announcement:

Mr. Campbell stated he had put together a "gray bill" on SB 233 which changed.

Senator Bruski-Maus asked the Committee to draft a bill. She stated the problem she had was with prescription delivery. MCA 37-3-301 does not allow for prescription drugs to be delivered to the patient by any other means than the pharmacist or a licensed employee of the pharmacy. She needs to address the issue where a pharmacist who works in Glendive delivered prescriptions for people in Wibaux at a store, and the store would dispense those prescriptions or the people would pick them up. She supplied a copy of MCA 37-3-301 (Exhibit #1). She stated it had been suggested there be an intermediary between the patient and the pharmacist and the patient should also be able to name a designated person to pick up prescriptions. She asked the Committee to see the feasibility of changing the law.

Senator Kennedy stated under current law it is illegal to do the situation described above.

Senator Lynch asked if it was legal for a relative or a friend to pick up his prescription. Senator Kennedy stated that was legal and the prescription could also be mailed to him.

Senator Bruski-Maus stated the prescriptions couldn't be mailed in the situation above because of limitations with mailing on Saturdays and Sundays, or sometimes the prescription comes in after the mail has gone out.

Senator Lynch asked if the people in Wibaux could call someone they know in Glendive to pick up the prescription.

Senator Bruski-Maus stated the pharmacy was told the only way a patient could pick up a prescription was to get it himself from a designated person in the pharmacy.

Senator Klampe stated the original statement was the pharmacy couldn't send a prescription to another establishment, but then the statement was modified to say another person couldn't pick it